

89022

GENERAL STATUTES OF MINNESOTA

SUPPLEMENT 1917

CONTAINING THE AMENDMENTS TO THE GENERAL STATUTES
AND OTHER LAWS OF A GENERAL AND PERMANENT
NATURE, ENACTED BY THE LEGISLATURE
IN 1915, 1916, AND 1917

WITH NOTES OF ALL APPLICABLE DECISIONS

COMPILED BY

FRANCIS B. TIFFANY



WEST PUBLISHING CO.

1918

CHAPTER 56A

HAWKERS, PEDDLERS AND TRANSIENT MERCHANTS

HAWKERS AND PEDDLERS

6090. License, how applied for and issued—

The sureties on the bond of a county auditor are not liable for money paid to the auditor under this section, and converted by him, since the money is not payable to the auditor, and his receipt of the same was not within the scope of his official duties (133-274, 158+394). Counties, ↪98(1).

CHAPTER 56B

TRADE NAMES

6107. Commercial business—Trade and individual names—Certificate—129-472, 152+885, Ann. Cas. 1917A, 257.

This act cannot be applied to prevent the enforcement of a contract based on an interstate shipment of goods (133-240, 158+239). Commerce, ↪40(1); Corporations, ↪673.

6113. Pleading failure to file certificate—Costs—

A plea of violation of this statute, interposed to prevent enforcement of a contract growing out of an interstate shipment of goods, held sham, and properly stricken (133-240, 158+239). Pleading, ↪360(3).

CHAPTER 58

CORPORATIONS

GENERAL PROVISIONS

6136. Public service corporations—

A commercial railroad must first secure a franchise from the city in the manner provided by law before it can construct its tracks in a street; and where it fails to obtain such franchise, and to condemn a right of way in pursuance thereof, an abutting owner may restrain the maintenance and operation of the tracks (131-183, 154+948). Eminent Domain, ↪169, 276.

The furnishing of electric light and power to the public is a public service, for which land or water may be taken (128-415, 151+198). Eminent Domain, ↪35.

A public service corporation may take private rights in navigable streams, but cannot interfere with the navigable capacity of the stream (128-415, 151+198). Eminent Domain, ↪45.

The city of Minneapolis held to have no power to enter into a contract with a commercial railway company, by which the city agrees to pay part of the expense of strengthening a bridge in order that the same may be used by the railway company (124-351, 145+609, 50 L. R. A. [N. S.] 143). Municipal Corporations, ↪248(1); Railroads, ↪75(3).

6137. State and local control—Eminent domain—

Construction of special charter provision (see 130-71, 153+262, Ann. Cas. 1916B, 286).

St. Paul City Railway Company, held, under its franchise, required to construct extensions as directed by the common council of St. Paul, provided such direction is reasonable (122-163, 142+136). Street Railroads, ↪11, 28(3).

A railroad company may take property for a side track which is to become a part of its railway system, such use being for a public purpose (135-323, 160+866). Eminent Domain, ↪20(5).

The rights of a public service corporation to divert water from navigable streams of one drainage basin into those of another drainage basin determined (127-23, 148+561). Navigable Waters, ↪34.

[6137—]1. Change of harbor lines or river, etc.—Purchase or condemnation—Whenever the United States, the State of Minnesota, or other governmental authority, having jurisdiction so to do, has authorized or may here-

after authorize change of harbor lines or diversion of channel, or other change in any river, stream or water course in the State of Minnesota, any railway company, terminal company or depot company, incorporated or licensed to engage in the business of transportation of freight or passengers in this state, interested in such change by reason of the improvement and enlargement of its property, or otherwise, may acquire the lands and premises needed therefor. Such company may, in its own name, either by purchase or by condemnation, obtain the title to such lands and premises, or any interest therein, including the lands or any interest therein belonging to any municipal corporation in this state. ('15 c. 45 § 1)

Section 5 repeals inconsistent acts, etc.

[6137—]2. **Same—Right of eminent domain, how exercised**—Proceedings to condemn lands needed for such change may be commenced and prosecuted by such corporation to final judgment under the statutes of this state in respect of the taking of property by right of eminent domain; and all of the General Laws of this state in respect of condemnation of property shall apply thereto and govern and control such proceedings. ('15 c. 45 § 2)

[6137—]3. **Same—Municipality may contest**—Any municipality, interested in the land proposed to be taken in such proceedings, may, if its interest seems to so require, contest the necessity of the condemnation of its interest in the premises proposed to be taken. ('15 c. 45 § 3)

[6137—]4. **Same—Conveyances**—Upon acquiring title to said lands and premises, whether by purchase or condemnation, such corporation shall make due conveyance thereof to the United States, the State of Minnesota or other governmental authority mentioned herein. Likewise, any municipal corporation, having any interest in said lands or premises, may, upon such terms as to said municipality its interests may seem to require, make due conveyance thereof either to said company or to said governmental authority. ('15 c. 45 § 4)

6139. Manufacturing and mining companies—

A corporation organized to generate electricity for public consumption is a "manufacturing corporation," within Const. art. 10 § 3, though it possesses the power of eminent domain (125-20, 145+611). Corporations, \Leftrightarrow 219.

6147. How organized—Certificate—

129-472, 152+885, Ann. Cas. 1917A, 257.

A corporation having vested the management of its affairs in a board of directors in pursuance of this section, the corporation was not liable on notes signed by the president alone, where a by-law, passed in pursuance of § 6172, post, required that notes should be signed by both the president and secretary; the directors not having ratified such notes (134-445, 159+1078). Corporations, \Leftrightarrow 414(2), 429.

[6150—]1. **Defective publication—Curative**—That in all cases where any corporation, purporting to have been formed under and by virtue of Title two, of Chapter thirty-four, of the General Statutes of 1894, of this state, whose articles of incorporation have been heretofore actually filed and recorded in the office of the secretary of state of this state, and actually filed for record and recorded in the office of the register of deeds of the proper county, but which articles of incorporation were in fact published only one week, instead of two successive weeks as required by law, in a weekly newspaper of the proper county, all such corporations, with the records thereof, are hereby legalized and confirmed, and shall have the same effect, as if they had been duly organized and the articles of incorporation duly published. Provided, however, that this act shall not apply to any action heretofore commenced or now pending in any of the courts of this state. ('15 c. 120 § 1)

[6150—]2. **Defective filing of articles of certain corporations—Curative**—That where proceedings for incorporation under Title 3 of Chapter 34 of the General Statutes of Minnesota for 1878 have heretofore been had or taken by any persons and the corporation so formed, or attempted to be formed, has entered upon the transaction of business without having filed its articles of incorporation in the office of the Secretary of State but has filed said articles in the office of the Register of Deeds of the proper county, and has since filed

and caused to be recorded a copy of said articles with the Secretary of State, certain proceedings for such incorporation, if otherwise conformable to law, are hereby legalized and made valid and said corporation is duly legalized and made valid as if said articles had originally been filed in both of said offices; and all acts, contracts or proceedings of such corporation, its trustees, officers and agents, are hereby legalized and confirmed and made of the same validity as though such articles had been filed in both of the offices, of the Secretary of State and the office of the Register of Deeds of the proper county, before such business had been transacted. ('17 c. 50 § 1)

[6152—]1. **Mortgages or deeds of trust by public service corporations—After-acquired property**—Any public service corporation owning property in this state may mortgage or execute deeds of trust of the whole or any part of its property and franchises to secure money borrowed by it for the construction and equipment of its lines and properties and for its corporate purposes, and issue its corporate bonds in sums of not less than One Hundred Dollars (\$100) secured by such mortgages or deeds of trust, bearing interest at a rate not exceeding six per cent (6%) per annum; such mortgages or deeds of trust may by their terms include after-acquired property, real and personal, and shall be as valid and effectual for that purpose as if such after-acquired property were owned by and in possession of the corporation giving such mortgage or deed of trust at the time of the execution thereof. ('17 c. 10 § 1)

[6152—]2. **Same—Mortgages or deeds of trust legalized**—That in cases where any public service corporation owning property in this state has mortgaged or executed deeds of trust of the whole or any part of its property and franchises to secure money borrowed by it for the construction and equipment of lines and properties and for its corporate purposes, and issued its corporate bonds in sums of not less than One Hundred Dollars (\$100) secured by mortgages or deeds of trust, bearing interest at a rate not exceeding six per cent (6%) per annum and such mortgages or deeds of trust have by their terms included after-acquired property, real and personal, such mortgages and deeds of trust are hereby legalized and made as valid and effectual to all intents and purposes as if such after-acquired property were owned by and in possession of the corporation giving such mortgage or deed of trust at the time of the execution thereof. ('17 c. 10 § 2)

6154. By-laws, how adopted—

A purchaser of corporate notes is chargeable with notice of a by-law, passed under this section, and in accordance with § 6172, requiring that notes be signed by both the president and secretary (134-445, 159+1078). Corporations, 429.

6163. Same—Notice to stockholders—

This section is repealed by § 7179 (123-352, 143+984, 49 L. R. A. [N. S.] 597). Infants, 18.

[6166—]1. **Corporations for pecuniary profit not empowered to take private property—Renewal in certain cases**—Any corporation heretofore organized under the General Laws of this state for pecuniary profit and not empowered to take private property for public use, whose period of duration has expired less than three years before the passage of this act and which has continued to carry on its business without a renewal of its said period, may during the three years allowed by law for winding up its affairs renew the period of its corporate existence from the date of expiration of said period of duration for an additional term not exceeding thirty years, with the same force and effect as if renewed before its said period of duration expired, by taking the same proceedings and paying into the state treasury the same incorporation fees provided by law for the renewal of the corporate existence of such corporation in cases where such renewal is made before the end of its period of duration.

Provided, however, that the proceedings to obtain such renewal shall be taken within six months after the passage of this act, and provided further, that this act shall not apply to any corporation whose charter has been declared forfeited by the final judgment of any court of competent jurisdiction in this state. ('15 c. 47 § 1)

[6166—]2. **Corporations for pecuniary profit—Renewal in certain cases—**Any corporation heretofore organized, for pecuniary profit, under the laws of this state, whose period of duration has expired less than four years prior to the passage of this act, and, through inadvertence or otherwise, the same has not been renewed, and such corporation has continued to transact its business, may renew its corporate existence from the date of the expiration of its period of duration for an additional period not exceeding the period of thirty (30) years from and after the time of its expired period of duration, with the same force and effect as if renewed prior to the expiration of its said term of existence, by taking the same proceedings and by paying into the state treasury the same incorporation fees, if any, as now provided by law for the renewal of the corporate existence of such corporation in cases where such renewal is made before the end of its period of duration.

Provided, that such proceedings to obtain such extension shall be taken within six (6) months after the passage of this act, and provided further, that this act shall not apply to any corporation the charter of which has been declared forfeited by the final judgment of any court of competent jurisdiction in this state. ('17 c. 30 § 1)

[6166—]3. **Flouring mill corporations—Renewal in certain cases—**That in any case where the corporate term of any corporation created under the laws of this state for the purpose of operating a flouring mill, and the business incident thereto, expired in the month of January, 1917, and such corporation, during said month of January, 1917, shall have initiated in good faith the proceedings authorized by law, (if taken before the corporate term expired), for the extension of its corporate term, and at a special meeting of its stockholders, held in the month of January, 1917, shall have adopted, by a vote of more than three-fourths of the stock, a resolution extending the term of said corporation—which resolution cannot be recorded or published because of the expiration of said corporate term, before the adoption thereof—such corporation is hereby granted until May 1st, 1917, to legally take the necessary steps to extend its corporate existence; and when such steps are taken within said period, such proceedings shall relate back to the date of the expiration of said original corporate period. ('17 c. 132 § 1)

[6166—]4. **Cooperative creamery associations—Renewal in certain cases—**Any co-operative creamery association whose period of duration has expired less than three years before the passage of this act and which has continued to carry on its business without a renewal of its said period, may renew the period of its corporate existence from the date of expiration of said period of duration for an additional term not exceeding 20 years, with the same force and effect as if renewed before its said period of duration expired, by taking the proceedings provided by law for the renewal of the corporate existence of such corporation in cases where such renewal is made before the end of its period of duration. Provided, however, that the proceedings to obtain such renewal shall be taken within six months after the passage of this act. And provided further that this act shall not affect any pending litigation nor apply to any corporation whose charter has been declared forfeited by the final judgment of any court of competent jurisdiction in this state. ('17 c. 115 § 1)

[6170—]1. **Defective proceedings for renewal—Curative—**That in any case where a corporation created by and under the laws of this State shall have within the period of its corporate existence initiated in good faith proceedings authorized by law for the extension of its corporate existence, which said proceedings were defective, said corporation shall have up to and including the first day of July, 1917, to adopt a resolution to extend its corporate existence and to record the same in the office of the Register of Deeds of the county where said corporation is located, and of the Secretary of State, and to have the same duly published, as provided by law, and upon so doing, the extension of the existence of said corporation shall be in all respects legal and valid.

Provided that the provisions of this act shall not apply to any action or proceedings now pending in any of the courts of this State. ('17 c. 40 § 1)

[6170—]2. **Defective proceedings for renewal of local building and loan associations—Curative—**That in any case where a local building and loan association, created by and under the laws of this state, shall have within the period of its corporate existence, initiated in good faith, proceedings authorized by law for the renewal and extension of its corporate existence, which said proceedings were taken in the month of February, 1916, and were defective, and where notice of the meeting at which the resolution to renew and extend the corporate existence of the corporation was not mailed to each of the stockholders as provided by section 6342 of chapter 58 General Statutes of Minnesota, 1913, said corporation shall have up to and including the first day of May, 1917, to issue a new call for a special meeting of the stockholders of such corporation, and mail notice thereof to each of the stockholders at least ten days prior to the date set for such special meeting, and clearly specifying in said call and notice the purpose thereof, to adopt a new resolution to renew and extend its corporate existence, and to properly certify the same, submit it to the department of banking of the state for its approval, and to file with the secretary of state, and to record the same in the office of the register of deeds of the county where such corporation is located, and to have the same published, all according to law, and upon so doing the renewal and extension of the corporate existence of such corporation shall be in all things valid. Provided, that the provisions of this act shall not apply to any action or proceeding now pending in any of the courts of this state. ('17 c. 178 § 1)

6171. Business, how managed—

The directors represent the corporation only when acting in meeting as a board (129-353, 152+725). Corporations, [↔](#)298(1).

An assignment for creditors executed by a corporation held valid, though a part of the directors were not present at the meeting at which the assignment was directed to be made (126-464, 148+459). Corporations, [↔](#)298(5).

Where the duties of directors are not defined by charter or statute, the stockholders may select other agencies for the management of the corporate business, and such selection may arise from implication; and the power so bestowed may extend to the execution of a mortgage (132-160, 156+268). Corporations, [↔](#)398(1), 399(8), 477(3).

The directors have power to adopt a resolution to the effect that the corporation shall become a voluntary bankrupt (204 Fed. 577, 123 C. C. A. 103). Corporations, [↔](#)298(3, 5), 550(1, 3).

Where a director became involved in an altercation in the company's office, and thereafter took no part in the affairs of the company, and brought suit to cancel his stock purchase, he thereby abandoned his office, and the remaining two directors had authority to pass a resolution that the company go into bankruptcy at a meeting of which the retiring member was not notified (204 Fed. 577, 123 C. C. A. 103). Corporations, [↔](#)298(3), 291.

6172. Officers—Certain corporations legalized—

One claiming to be a holder in due course of corporation notes is chargeable with notice of a by-law of the corporation, enacted in accordance with this section, requiring that notes be signed by both the president and secretary, and the corporation is not liable on the notes where they were signed by the president alone, and the corporation had not ratified his act (134-445, 159+1078). Corporations, [↔](#)414(2), 429.

6176. Transfer of stock—

A pledgee of stock, but who appears in the transfer, as recorded on the books of the company, as the general owner of the stock, is liable as a stockholder for corporate debts; he being estopped to deny such liability. Evidence held to show that failure to show on the stock transfer records of a corporation the fact that a transfer of stock was a pledge and not a sale resulted from the negligence of the transferee and not the negligence of the corporation, so that the transferee was liable to creditors (127-346, 149+462, Ann. Cas. 1916C, 565). Corporations, [↔](#)244(8), 361.

6178. Liability of stockholders—

Subd. 1—135-339, 160+1014; note under Const. art. 10 § 3.

Subd. 3—Liability on guaranty (121-288, 141+161). Corporations, [↔](#)218.

6183. Record of stock—Reports—Dividends—

Under the provision of this section that all the books and records shall at all reasonable times and for all purposes be open to inspection of stockholders, the president of a corporation, owning a majority of the stock thereof, may maintain mandamus to compel inspection of the books of the corporation to enable him to resist a prosecution for embezzlement of the corpo-

rate funds; he being presumed innocent until convicted, and the mere charge of crime not putting him in the attitude of coming into court with unclean hands (135-479, 160+486). Mandamus, [§129](#).

6185. Amendment of certificate—The certificate of incorporation of any corporation now or hereafter organized and existing under the laws of this state may be amended so as to change its corporate name, or so as to increase its capital stock, or so as to change the number and par value of the shares of its capital stock, or in respect of any other matter which an original certificate of a corporation of the same kind might lawfully have contained, by the adoption of a resolution specifying the proposed amendment, at a regular meeting or at a special meeting called for that expressly stated purpose, in either of the following ways: (1) by majority vote of all its shares, if a stock corporation; or if not, (2) by majority vote of its members; or, in either case (3) by majority vote of its entire board of directors, trustees, or other managers within one year after having been thereto duly authorized by specific resolution duly adopted at such a meeting of stockholders or members, and by causing such resolution to be embraced in a certificate duly executed by its president and secretary, or other presiding and recording officers, under its corporate seal, and approved, filed, recorded, and published in the manner prescribed for the execution, approval, filing, recording, and publishing of a like original certificate.

As to a local building and loan association, the resolution to amend may be adopted as above provided or by a two-thirds vote of the stockholders of the association attending the meeting in person or by proxy. ('17 c. 404 § 1)

[6186—]1. **Corporations other than for pecuniary profit—Increase or decrease of trustees—Number and quorum**—That any corporation other than those for pecuniary profit heretofore or hereafter incorporated by virtue of any law of this state, may by resolution of its board of trustees, adopted at any regular or called meeting, by a majority vote thereof, increase or decrease the number of trustees of such corporation and provide for their election, and may also in such resolution provide for the number of trustees of said corporation which shall constitute a quorum; and a copy of such resolution subscribed and sworn to by the president and secretary of such corporation, shall be recorded in the office of the register of deeds of the county where the corporation is located and in the office of the secretary of state. ('17 c. 155 § 1)

6193. Capital stock—How classified and issued—

Sole owners and officers of newly formed corporation, issuing stock to themselves in exchange for property excessively valued, held not required to account to subsequent purchasers of stock at face value (124-279, 144+952). Corporations, [§107](#).

A contract between promoters of a corporation held fraudulent as to the promoters' associates and the corporation subsequently organized, there being no ratification with knowledge of the facts (126-197, 148+47). Corporations, [§79](#).

Under this section, and articles of incorporation and by-laws inserted in stock certificate, corporation held obliged to redeem its preferred stock and pay accumulated dividends (162+677). Corporations, [§68](#).

"Preferred stock" is stock entitled to a preference over other kinds of stock in the payment of dividends, which are to come out of net earnings and not out of capital; the stockholder being still a stockholder making a contribution to capital, and not a creditor, or a lender (162+677). Corporations, [§156](#).

6194. Stock certificates, to whom issued—

A defense to a note in payment of a share of stock in a corporation is not made out merely by the plea and proof that no share certificate had been delivered or tendered to the purchaser (123-208, 143+353, L. R. A. 1915A, 464, Ann. Cas. 1915A, 420). Corporations, [§90\(1\)](#).

6197. Dissolution of corporations—

Dissolution of corporation at suit of minority stockholders (see 134-148, 158+820). Corporations, [§614\(1\)](#).

[6200—]1. **Extending time for certain corporations—Curative**—When any corporation other than a corporation having the power of eminent domain which has been dissolved more than three years, by expiration or forfeiture of its charter, decree of court or otherwise, did not fully close its affairs and convey all its property within the three years' limit prescribed by

General Statutes 1894, Section 3431, Section 2883, Revised Laws 1905, and Section 6198 General Statutes 1913, the time so limited is hereby extended for two years from and after the passage of this act; and any and all conveyances theretofore made by any such corporation or its proper officers and any and all acts done in disposing of the property of such corporation and closing its affairs, after the expiration of three years from the date of its dissolution, are hereby legalized and made of the same force and effect as though the same had been done within such three years. Provided, that nothing herein contained shall be construed as affecting any vested rights or any action or proceeding now pending. ('15 c. 161 § 1)

[6200—]2. **Extending time for certain corporations—Curative**—When any corporation other than a corporation having the power of eminent domain which has been dissolved more than three years, by expiration or forfeiture of its charter, decree of court or otherwise, did not fully close its affairs and convey all its property within the three years' limit prescribed by General Statutes 1894, section 3431, section 2883, Revised Laws 1905, and section 6198 General Statutes 1913, the time so limited is hereby extended for one year from and after the passage of this act; and any and all conveyances theretofore made by any such corporation or its proper officers and any and all acts done in disposing of the property of such corporation and closing its affairs, after the expiration of three years from the date of its dissolution, are hereby legalized and made of the same force and effect as though the same had been done within such three years. Provided, that nothing herein contained shall be construed as affecting any vested rights or any action or proceeding now pending. ('17 c. 153 § 1)

[6200—]3. **Extending time for certain corporations—Curative**—Where any corporation other than a corporation having the power of eminent domain, which has been dissolved more than three years by expiration or forfeiture of its charter, decree of court, by statutory proceedings, or otherwise, did not fully close its affairs and convey all its property within the three year limit prescribed by General Statutes, 1913 section 6198, and where any such corporation has, claims, or appears to have or claim any interest in or to any property, the time so limited is nevertheless extended for two years from and after the passage of this act for the purpose of closing up the affairs of any such corporation, conveying its property, and for the purpose of authorizing and permitting service of process in actions at law or equity, or otherwise, including actions under chapter 65 General Statutes, 1913, and for service of process by publication according to law against such corporations, and in order that any such corporations may prosecute and defend actions and be served with process therein. ('17 c. 447 § 1)

[6200—]4. **Same—Conveyances, etc., legalized**—Any and all conveyances of property by any such corporations and any and all proceedings, and actions heretofore, commenced or had, including actions under chapter 65, General Statutes, 1913, including service of process against any such corporations after the expiration of the three year limit prescribed by General Statutes, 1913, section 6198, are hereby legalized and made of the same force and effect as though the same had been done within said three year limit. Provided, that in any said proceedings or actions, the defendant therein shall have three months from and after the passage of this act to appear in said proceedings and defend therein. ('17 c. 447 § 2)

FOREIGN CORPORATIONS

6206. **Office and agent in state**—Every foreign corporation for pecuniary profit, before it shall be authorized or permitted to transact any business in this state, or to continue business herein if already established, or to acquire, hold or dispose of property within this state, or to sue or maintain any action at law or otherwise in any courts in this state, shall, in writing, appoint an agent duly authorized to accept service of process and upon whom service of process may be had in any action to which such corporation shall be a party, and service upon such agent shall be due and personal service upon such

corporation. Such agent shall reside in this state and, maintain an office or place of business therein, and such appointment shall set forth the residence of said agent and the street number address of the office or place of business of said agent. An authenticated copy of the appointment of such agent shall be filed with the Secretary of State and a certified copy thereof, shall be prima facie evidence of the appointment and authority of such agent.

In case the place of residence or the office or place of business of said agent shall be changed after the filing of said appointment, an affidavit of such agent, setting forth his place of residence and street number address of his office or place of business, shall be filed in the office of the Secretary of State.

Provided that if said agent cannot be found in the county of his residence, as shown by the return of the sheriff of such county upon such process, then the same may be served by leaving with the Secretary of State two copies thereof, and thereupon the Secretary of State shall immediately mail one such copy to the corporation at its address as stated in the records of the Secretary of State, and one copy to the agent of such corporation at his address as set forth in the appointment of such agent or the affidavit herein provided. (Amended '17 c. 49 § 1)

Cited (132-19, 155+765).

128-171, 150+790; note under § 6208.

A contract for the sale and shipment to a resident of this state of a machine, coupled with an agreement to install the same in a building of the purchaser in this state, is not an interstate commerce transaction, the agreement for installation not being a necessary or essential part of the contract of sale, and the whole contract is unenforceable by the seller, a foreign corporation, which has not complied with this section and § 6207 (161+215, L. R. A. 1917C, 1012). Commerce, Ⓒ40(1).

6207. Filing articles—License fees—

Cited (132-19, 155+765).

161+215, L. R. A. 1917C, 1012; 128-171, 150+790; notes under § 6208.

What constitutes doing business in state, for purpose of sustaining service of process on agent (see 131-335, 155+103). Corporations, Ⓒ642(1).

The provision that on an increase of its capital stock a foreign corporation shall pay a fee of \$5 for every \$10,000 "of such increase of said proportion of capital stock" means that upon an increase the corporation shall pay a fee based upon the proportion of the increased capital stock used in the state (133-175, 157+1082). Corporations, Ⓒ648.

6208. Penalties—Exceptions—

Cited (132-19, 155+765).

A foreign corporation, which has entered into an interstate contract, does not lose its right to enforce such contract by subsequently engaging in business without complying with our laws (128-171, 150+790). Commerce, Ⓒ46; Corporations, Ⓒ661(2).

A foreign corporation, selling goods upon orders received through traveling salesmen, is engaged in interstate commerce; and its transactions are not rendered local by the fact that it advertises its goods in this state, or that such salesmen turn in their orders to local distributors, to be filled by them, if the corporation disposes of its goods in the manner stated (128-171, 150+790). Commerce, Ⓒ40(3).

[6208—]1. Failure to maintain office—Curative—In all cases where any corporation has heretofore filed a duly authenticated copy of its charter or articles of incorporation with the secretary of state, and also filed with such officer a duly authenticated appointment of an agent in this state authorized to accept service of process and upon whom service of process might be had in any action to which said foreign corporation might be a party and has paid the fees required by law, and the secretary of state has issued his certificate authorizing such foreign corporation to do business in this state and to sue and maintain actions therein, then in every such case such foreign corporation is hereby authorized to do business in this state and to sue and maintain actions and to own property therein for the period set forth in the certificate of the secretary of state, notwithstanding the failure of any such corporation to maintain a public office or place in this state for the transaction of its business; provided, that this act shall not affect any action or proceeding now pending in any of the courts of this state. ('17 c. 430 § 1)

6209. Contracts and conveyances of certain corporations legalized—

This section held to have legalized a loan made by a building and loan association before compliance with §§ 6206-6208 (132-19, 155+765). Corporations, Ⓒ657(1).

6210. Same—Pending actions—
132-19, 155+765.

6211. Contracts and conveyances of certain corporations legalized—
132-19, 155+765.

6212. Same—Pending actions—
132-19, 155+765.

[6212—]1. Contracts and conveyances of certain corporations legalized—
That any and all contracts with, and any and all conveyances to or from any foreign corporation heretofore and now doing the business of a general building and loan association in this state, which has heretofore at any time complied with, or attempted to comply with Chapters Sixty-nine (69) and Seventy (70) of General Laws of the State of Minnesota for the year 1899, now known as Sections 2888, 2889, and 2890, Revised Laws of the State of Minnesota, 1905 [6206-6208], relating to the admission of foreign corporations for pecuniary profit to do business in this state and requiring certain fees to be paid by such corporations, and has paid into the State Treasury the fees provided for by said law, and has obtained from the Secretary of State a certificate that said corporation has complied with the laws of this state in this respect, or has complied in whole or in part, or attempted to comply with the provisions of Section 3060 of the Revised Laws of Minnesota, 1905, as the same originally existed, or as the same was amended by Chapter 24 of the General Laws of Minnesota for the year 1909 [6437], or has deposited securities with the Superintendent of Banks in the amount of not less than One Hundred Thousand (\$100,000.00) Dollars, under the provisions of said section 3060 [6437], and which corporation heretofore has made, or which shall hereafter within 60 days after the taking effect of this act make the deposit of securities with the Superintendent of Banks as now required by the laws of the State of Minnesota, and within the said time shall comply with all the provisions of the laws of the said state relative to such foreign corporations transacting such business in the State of Minnesota, are hereby legalized, confirmed and validated, and all such contracts are hereby made valid and enforceable by or against any such corporation, as fully and to the same extent as if such corporation had in all things complied with the laws of said state before transacting any of said business in said state. ('15 c. 92 § 1)

[6212—]2. Same—Pending actions—This act shall not apply to any action now pending in the State of Minnesota wherein the validity of such contracts or conveyances is called in question on account of the failure of any such corporation sooner to comply with such law. ('15 c. 92 § 2)

PUBLIC SERVICE CORPORATIONS

RAILROAD CORPORATIONS

6214. Plat—Payment—Conveyance—Reservation of minerals—New right of way—
G. L. 1878 c. 73 cited—124-271, 144+960.

6236. Right of way over public ways—
Operation of commercial railroad upon public street imposes additional servitude, which municipality cannot authorize (162+453). Municipal Corporations, Ⓒ680, 681(6).
This section has no application to a case of occupation of a street by a commercial railroad, but is confined to the crossing of a street (131-183, 154+948). Eminent Domain, Ⓒ119(2).

6237. Power to acquire property—
Cited (121-233, 141+170).

6246. Right of eminent domain in certain cases—
Taking of property for a side track which is to become a part of the railway system is for a public use (135-323, 160+866). Eminent Domain, Ⓒ20(5).
The right of a public service corporation to divert water from navigable streams of one drainage basin into those of another drainage basin determined (127-23, 148+561). Eminent Domain, Ⓒ1, 13, 66; Navigable Waters, Ⓒ34.

6247. Use of public roads—Restriction—

Moving a house along a village street is not using the street for the purpose of ordinary travel, and the requirement that a telephone company shall locate its lines so as not to interfere with the safety and convenience of "ordinary travel" does not make it the duty of the company to remove its wires from the street to permit the passage of a house along the same (132-110, 155+1075, L. R. A. 1916C, 1249). Municipal Corporations, ⚡703(1); Telegraphs and Telephones, ⚡10(2).

The license conferred by this section is not exclusive of the rights of the abutting owners, but the rights of each must be exercised so as not to interfere with the rights of the other. A telephone company must exercise due care not to injure trees growing on the street (122-424, 142+807). Telegraphs and Telephones, ⚡10(15), 15(2).

A telephone company held not to have complied with its franchise, so that such franchise was subject to forfeiture (126-90, 147+712). Telegraphs and Telephones, ⚡23.

TELEGRAPH AND TELEPHONE COMPANIES

6256. Telegraph companies common carriers—

This section and § 6259 are to be construed together (133-252, 158+247).

The rule of law sustaining contracts fixing the value of property transported by a common carrier cannot be applied to uphold a contract fixing the "value" of a telegraph message, since such a message has no ascertainable value, and such a contract is violative of this section and § 6259, post (133-252, 158+247). Telegraphs and Telephones, ⚡54(6).

6259. Liability for damages—

This section is to be construed with § 6256 (133-252, 158+247).

Where plaintiff, in Minnesota, was requested to go to Spokane, Wash., and on arrival at Glendive, Mont., telegraphed to Spokane that he would arrive at Spokane at a stated time, failure to deliver such telegram was not governed by this section, but by the Montana law (126-122, 147+961, 52 L. R. A. [N. S.] 1180). Telegraphs and Telephones, ⚡27.

The rule of law sustaining contracts with common carriers fixing the value of goods transported cannot be applied to uphold a contract fixing the "value" of a telegraph message, since a telegram can have no ascertainable value, and such a contract, is violative of this section, construed with § 6256, ante (133-252, 158+247). Telegraphs and Telephones, ⚡54(6).

At common law a failure to deliver a telegram will not warrant recovery of special damages, where there is nothing in the language of the message to indicate that damage will result from failure to deliver (126-122, 147+961, 52 L. R. A. [N. S.] 1180). Telegraphs and Telephones, ⚡67(2).

BOOM COMPANIES

6263. Corporations for driving logs—Powers and duties—Tolls—Liens—

A corporation constructing a log dam has a right to the use of the waters for transportation purposes superior to that of the riparian owners for power purposes, the proper use being measured by what is reasonably required to transport with ordinary diligence by the customary methods (127-490, 150+218). Navigable Waters, ⚡22(3).

The rights of mill and other riparian owners upon navigable waters are subordinate to the right of the state to improve a river for navigation, and the rights conferred upon logging corporations organized under this section with the limitation that the rights so conferred must be exercised in a reasonable manner and so as not to unnecessarily injure riparian rights (127-8, 148+517). Navigable Waters, ⚡39(2).

CEMETERY ASSOCIATIONS

6286. Exemption from taxation, etc.—

The provision of this section exempting cemetery associations from assessments for local improvements is not unconstitutional (134-441, 159+962). Municipal Corporations, ⚡407(1, 2).

6288. Descent of lots—Upon the death of a lot owner, such lot, unless otherwise disposed of as provided in Section 6289, shall descend as follows:

1. To the surviving spouse of decedent.
2. If there be no living spouse, then to the eldest living son or [of] decedent.
3. If there be no living son, then to the eldest living daughter.
4. If there be no living daughter, then to the youngest brother of decedent.
5. If there be no living brother, then to the youngest sister of decedent.
6. If there be no surviving spouse, son, daughter, brother, or sister of decedent, then to the association in trust for the uses of a burial lot for the decedent and such of his relatives as the trustees shall deem proper. But such association, or, with its consent, any person to whom such lot shall so descend, may grant and convey the same to any one of decedent's sons, daugh-

ters, brothers, sisters, or grandchildren, and such grantee shall thereafter be deemed the owner thereof. (Amended '15 c. 233 § 1)

6289. Right of disposal—Any owner of a cemetery lot may dispose of the same by will to any one of his relatives who may survive him, or to such cemetery association, in trust, for the use and benefit of any person or persons designated in said will; but no such lot shall be affected by any testamentary devise unless the same be specifically mentioned in the will. Any owner of a cemetery lot may in his lifetime convey said lot to said association in trust for the use and benefit of any person or persons named in the trust conveyance. Such conveyance may contain such conditions, provisions and covenants as the parties may therein agree upon. No interment shall be made in any such lot, except by written consent of the association, of the body of any person who was not, at the time of death, the owner thereof, or a relative of the owner by blood or marriage. Every such association shall keep a record of all deeds, conveyances, judgments, decrees or other documents affecting the title to lots in such cemetery, copies of which, certified by the secretary, shall be received in evidence by the courts. (Amended '15 c. 233 § 2)

6292. Care and improvement fund—Any cemetery association formed under the provisions of law and having a board of trustees or directors, not less than three in number, which shall have established and shall be maintaining a cemetery of not less than one-half acre in area, may by a two-thirds vote of such trustees or directors of such association, which vote may be taken at any regular meeting of such board, provide, in accordance with this act and the provisions of law in the statutes provided, for the establishment of a permanent fund, the income whereof shall be devoted to the care, maintenance and improvement of such cemetery which shall be known as "permanent care and improvement fund" of such cemetery association. ('05 c. 197 § 1, amended '15 c. 345 § 1)

[6315—]1. **Associations maintaining cemeteries in cities of first class—Amendment of certificate—Resolution**—The board of trustees of any cemetery association organized under the laws of this state which has established and is now maintaining a public cemetery in any city in this state having a population of more than fifty thousand inhabitants may by resolution duly adopted by at least a two-thirds vote of its members at any authorized meeting of said board, amend its certificate or articles of incorporation in any or all of the following particulars:

(1) By providing for a board of associates, the number composing such board, the time and manner of their election and by whom they shall be elected, their term of office, their powers and duties and for the division of such board into classes, if it is so desired, with respect to the time for which they shall severally hold office.

(2) By specifying the names and addresses of the members of the first board of associates and their term of office.

(3) By providing that the management of the affairs of the said association may be vested in a board of not more than nine trustees and that such trustees may be divided into classes in respect to the time for which they shall severally hold office, or, if it is so stated, that only one trustee need be elected each year.

(4) By providing the time and manner of election of the trustees and specifying whether such trustees shall be elected by the owners of lots in the cemetery of such association, either from among themselves or from among the board of associates, or by the existing trustees from among lot owners or from among a board of associates, or by the board of associates from their own number or from the retiring trustees.

(5) By providing that any vacancy in the board of trustees, caused by death, resignation or otherwise, may be filled by the board of trustees for the unexpired term.

(6) By specifying the names and addresses of the first board of trustees and the time for which they shall severally hold office.

(7) By providing that the trustees may elect officers of the association and that the duties of such officers may be defined by the by-laws.

(8) By providing that the trustees may adopt by-laws and promulgate rules and regulations with respect to the cemetery of such association.

(9) By any other lawful provision defining and regulating the powers or business of such association and the powers and duties of its officers, trustees, associates and lot owners. ('15 c. 304 § 1)

[6315—]2. **Same—Resolution, how certified and recorded**—The trustees shall cause such resolution to be embraced in a certificate duly executed and acknowledged by its president and secretary or other presiding and recording officers under the corporate seal of said corporation, which said certificate shall be recorded in the office of the Register of Deeds of the county in which the cemetery of such association is located and in the office of the Secretary of State. ('15 c. 304 § 2)

[6315—]3. **Same—Applicable to what cemeteries**—This act shall not apply to private cemeteries nor to cemeteries established by religious corporations. ('15 c. 304 § 3)

[6315—]4. **Same—Applicable in what cities**—This act shall also apply to cemetery associations mentioned in section 1 of this act [6315—1] maintaining such cemeteries in cities existing under a charter framed pursuant to section 36 of article IV of the constitution. ('15 c. 304 § 4)

[6315—]5. **Associations maintaining cemeteries in cities of first class—Care and improvement fund**—Any cemetery association organized under the laws of this State which shall have established and shall be maintaining a public cemetery of five acres or more in extent in any city of this state having a population of more than fifty thousand inhabitants, may by a resolution adopted by a vote of at least two-thirds of the members of its board of trustees at any authorized meeting of said board, provide for the creation and establishment of a permanent fund, the income whereof shall be devoted to the care, maintenance and improvement of such cemetery, which fund shall be known as "Permanent Care and Improvement Fund" of such cemetery association. ('17 c. 95 § 1)

[6315—]6. **Same—Trustee of fund—Trust companies, etc.**—The board of trustees of any such association shall by a resolution adopted by a vote of at least two-thirds of its members designate and appoint one or more trust companies organized under the laws of this state or a board consisting of at least three individuals to act as trustee or trustees of said fund. In case more than one trust company shall at any time be so designated and appointed the said board of trustees shall from time to time apportion all moneys available for said fund between said trust companies in such proportion as such board by said vote may direct or determine. Such designation and appointment shall be evidenced by a written instrument duly executed by the proper officers of such association under its corporate seal. Each trust company and individual so designated and appointed shall qualify as such trustee by filing its or his written acceptance of such designation and appointment with the secretary of the association. All instruments of designation and appointment, and any revocation of the same, and said written acceptances shall be recorded at length by the secretary of the association in its corporate records. The appointment of any such trustee may be revoked by the board of trustees of the association at any time by a vote of two-thirds of its members. No trustee of such fund shall be liable as such except for neglect or wilful default in the discharge of its or his duties. ('17 c. 95 § 2)

[6315—]7. **Same—Moneys to be paid into fund**—Whenever such cemetery association shall have established such fund as herein authorized, then not less than twenty per cent. of the proceeds of all sales of cemetery lots shall be paid over on the first days of January, April, July and October of each year to the trustee or trustees of said fund, and such payments shall thereafter become a part of such permanent care, and improvement fund. Any other income or funds not required by such association for other purposes may from time to time be added to said fund by a vote of at least two-thirds of the members of the said board of trustees of the Association. ('17 c. 95 § 3)

[6315—]8. **Same—Principal, how invested—Income, how used—Compensation—**The principal of such permanent care and improvement fund shall forever remain intact and inviolable and shall be invested by the trustee or trustees in same class of securities only in which savings banks are authorized by the laws of this State to invest their funds. The trustee or trustees of such funds shall at least semi-annually turn over to the association the entire net income arising from such fund, which income shall be used by such association solely for the care, maintenance and improvement of the cemetery and the avenues leading thereto; but in case any portion of such income shall not be expended or appropriated by the association for the period of one year after the same has been received by it, it shall be turned back to the trustee or trustees and invested by it or them as a part of the principal of said fund. No trustee or board of trustees shall receive as compensation for acting as such any sum in each year in excess of five per cent of the income derived from the fund in its hands. ('17 c. 95 § 4)

[6315—]9. **Same—Annual report—**Any trust company or board of trustees acting as trustees pursuant to the terms hereof shall on the first day of each year make a full and complete report in writing to the association of the condition and state of the fund in its hands, which report shall at all times be open to the inspection of all owners of lots in such cemetery. ('17 c. 95 § 5)

[6315—]10. **Same—Resignation or removal of trustee—New appointment, etc.—**Upon the resignation or removal of any sole trustee or individual appointed pursuant to the authority hereby conferred, the board of trustees of such association shall forthwith appoint a successor; and thereupon the trustee so resigning or removed shall immediately turn over to such successor all property of every description belonging to or appertaining to such fund. Upon written notice to it by such board of trustees of such association of the resignation or removal of any such trustee, or of any application to the court for an accounting by, or removal of, any such trustee, any bank, trust company, safety deposit company or other corporation, institution or individual having in its or his possession any of the moneys, securities, papers or other property belonging or appertaining to such fund, shall thereupon refuse payment or delivery of the same or any part thereof to the trustee or trustees named in such notice, or upon its or their check or other authorization, except upon a check or other authorization for the transfer, surrender or delivery of the same or any part thereof to its or his successor or successors. ('17 c. 95 § 6)

[6315—]11. **Same—Power of district court—**The district court for the judicial district in which the trust estate is situated shall have the power, for good cause shown, upon the application of one or more trustees of such association or of any other interested party to remove any trustee or trustees of such fund, or to compel an accounting by any trustee of such fund; and such court shall have all the powers now or hereafter conferred by law upon district courts for the enforcement, execution, or regulation of express trusts. ('17 c. 95 § 7)

[6315—]12. **Same—What associations bound by act—**Every cemetery association mentioned in section 1 of this act [6315—5] which has heretofore created and established such permanent care and improvement fund pursuant to any law of this state shall with respect to such fund comply with and be bound by the terms of this act. ('17 c. 95 § 8)

[6315—]13. **Same—Sections not applicable—**Sections 6292, 6293, 6294, 6295, 6296, 6297, 6298, 6299, 6300 of the General Statutes of Minnesota, 1913, shall not apply to or be operative upon, cemetery associations mentioned in section 1 of this act [6315—5]. ('17 c. 95 § 9)

[6315—]14. **Same—To what cemeteries not applicable—**This act shall not apply to cemeteries established by religious corporations, nor to private cemetery associations. ('17 c. 95 § 10)

[6315—]15. **Same—In what cities applicable—**This act shall also apply to cemetery associations mentioned in section 1 of this act [6315—5], maintaining such cemeteries in cities existing under a charter framed pursuant to section 36 of article IV of the constitution. ('17 c. 95 § 11)

FINANCIAL CORPORATIONS

GENERAL PROVISIONS

[6338—]1. **Membership of banks and trust companies in Federal Reserve Bank—**Any incorporated state bank or trust company may become a member of the Federal Reserve Bank of the Federal Reserve district in which said bank or trust company is located and may invest in and hold stock therein. ('15 c. 28 § 1)

6340. **Unlawful use of certain words, etc.—**No individual, co-partnership or corporation other than a savings bank or safe deposit and trust company subject to and complying with all the provisions of law relating to such bank or safe deposit and trust companies respectively, shall in any manner display or make use of any sign, symbol, token, letterhead, card, circular, or advertisement stating, representing or indicating that he, it, or they, are authorized to transact the business which a savings bank, safe deposit or trust company usually does, or under said provision are authorized to do; nor shall any such individual, co-partnership or corporation use the words "savings" or "trust" or "safe deposit" alone or in combination in title or name or otherwise or in any manner solicit business or make loans or solicit or receive deposits or transact business as a savings bank or safe deposit or trust company. Except that a state bank, or trust company, regularly incorporated and authorized to do business under the laws of this state, may establish and maintain a savings department under the supervision of the superintendent of banks, and may solicit and receive deposits in said savings department and advertise the same as such, and every such trust company having a savings department may use in its name or title in addition to the word "trust," the words "savings" or "savings bank." Savings deposits received by any such trust company using the words "Savings" or "Savings Bank" in its name or title shall be invested only in authorized securities as defined by law and such trust company shall keep on hand, at all times, such securities as deposits in savings banks may be invested in to an amount at least equal to the amount of such deposits and these securities shall be the representative of and the fund for, applicable first and exclusively to the payments of, such savings deposits. Deposits received by such trust company subject to its right to require notice of withdrawal evidenced by pass books shall be deemed savings deposits.

Every individual, co-partnership or corporation which shall violate any of the provisions of this section shall forfeit to the state the sum of one hundred dollars for every day such violation shall continue. (Amended '15 c. 236 § 1)

BANKS

6357. Shall not lend on or purchase its own stock—

The time within which a bank is required to sell shares of its stock which have been taken as security under this section commences to run from the date the stock is so acquired, and not from the due date of the secured obligation (134-272, 159+567). Banks and Banking, ~~91~~.

The failure of a bank to sell and dispose of its own stock taken as security within the time fixed by this section renders the security invalid as to creditors or purchasers subsequently acquiring rights thereto from or through the owner of the stock. The state has no interest in the subject-matter, and the taking of security under this section is not an ultra vires act (134-272, 159+567). Banks and Banking, ~~91~~.

6361. **Reserve—**It shall always keep a reserve equal to fifteen per centum (15%) of its demandable liabilities and five per centum (5%) of its time deposits if located in a reserve city, if not located in a reserve city it shall always keep a reserve equal to twelve per centum (12%) of its demandable liabilities and five per centum (5%) of its time deposits; one quarter of which

shall be cash, including specie, legal tender, national bank notes and federal reserve bank notes. The remainder may be in balance due from solvent banks. No bank shall act as reserve agent for another without the approval of superintendent of banks, if its capital and surplus is less than twenty-five thousand dollars. Whenever its reserve shall become impaired, it shall make no new loans or discounts except upon sight bills of exchange, nor declare any dividend until the same has been fully restored. The term "Reserve City" as used herein shall be taken to mean such cities as are designated as reserve cities by act of congress or other federal authority. (Amended '15 c. 362 § 1)

6365. Stock unpaid or impaired—

The directors of a state bank have no inherent authority to make an assessment upon the capital stock to cover a deficiency arising from the impairment of the capital; and such assessment can be made only under a direction of the bank examiner, as authorized by this section (125-263, 146+1093). Banks and Banking, [§43](#).

The action of the bank examiner held an informal, but sufficient, direction that the amount of a prior irregular assessment be collected and applied to restore depleted capital (125-263, 146+1093). Injunction, [§21](#).

6367. Assessment, how enforced—

Cited (125-263, 146+1093).

SAVINGS BANKS

6393. Authorized securities—The trustees of any savings bank shall invest the moneys deposited therein only as follows:

1. In the bonds or other interest bearing obligations of the United States, or in securities for the payment of which and interest thereon the faith of the government is pledged.

2. In the bonds of any state which has not defaulted in the payment of any bonded debt within ten years prior to the making of such investment.

3. In the bonds of any county, city, town, village, school, drainage or other district created pursuant to law for public purposes in Minnesota, or in any warrant, order, or interest bearing obligation issued by this state, or by any city, city board, town or county therein, provided that the net indebtedness of any such municipality or district, as net indebtedness is defined by Revised Laws 1905, section 777 (1848), and its amendments, shall not exceed ten per cent of its assessed valuation, or in the bonds of any county, city, town, village, school drainage or other district created pursuant to law for public purposes, in Iowa, Wisconsin and North and South Dakota, or in the bonds of any city, county, town, village, school district, drainage or other district created pursuant to law for public purposes, in the United States, containing at least 3,500 inhabitants; provided that the total bonded indebtedness of any such municipality or district shall not exceed ten per cent of its assessed valuation.

4. In notes or bonds secured by mortgages or trust deeds on unencumbered real estate in Minnesota, Wisconsin, Iowa, North Dakota, South Dakota and Montana, worth when improved at least twice and when unimproved at least three times the amount loaned thereon. But not more than seventy per cent of the whole amount of the moneys of the bank shall be so loaned and such investment shall be made only on report of a committee directed to investigate the same and report its value, according to the judgment of its members, and its report shall be preserved among the bank's records.

5. In notes secured by such bonds or mortgages, as the bank under this section is authorized to invest in, but no such bond or mortgage shall be taken as collateral security for more than its par value, nor shall the aggregate amount of securities taken be less than the full amount loaned thereon, and no such loan shall be made for a longer time than one year, nor to a greater amount to any one person than three per cent of the total deposits of the bank. No such bank shall loan in the aggregate, on the security specified in this paragraph, more than one-fourth of its deposits.

6. In the bonds of any railroad company, or the successor of any railroad company, which has received a land grant from the government, and whose bonds are secured by first lien upon its railroad.

7. In the bonds of any other railroad company, which are secured by first lien upon a railroad within the United States, or in the mortgage bonds of any such company, of an issue to retire all prior mortgage indebtedness thereof, or in the bonds of any railroad company in the United States which are guaranteed or assumed by another railroad company within the United States; provided, that the railroad company, except one whose bonds are so guaranteed or assumed, either issuing, guaranteeing, or assuming any of such bonds, has not within five years prior to such investment failed in the payment of a dividend upon its entire capital stock outstanding of not less than four per cent per annum each fiscal year, and has not within such time defaulted in the payment of any part of the principal or interest of any debt incurred by it and secured by trust deed or mortgage upon its road or any part thereof, or in the payment of any part of the principal or interest of any bonds guaranteed or assumed by it. But no such bank shall loan upon or invest in railroad bonds to an amount exceeding in the aggregate twenty per cent of its deposits, nor exceeding five per cent of its deposits in the bonds issued, guaranteed or assumed by any one railroad company.

8. In the debenture stock of any railroad company owning and operating a line of road in whole or in part within the state, provided that such stock shall bear interest at the rate of at least four per cent per annum, and shall be secured by trust deed as a first lien upon such line of railway, and that not more than five per cent of its deposits shall be invested in such stock.

9. In farm loan bonds issued by the federal land bank in the federal land bank district, of which the state of Minnesota is a part, in accordance with the provisions of an act of Congress of the United States of July 17, 1916, known and designated as "The Federal Farm Loan Act."

The term "authorized securities" whenever used in the Revised Laws shall be understood as referring to the securities specified in this section. (Amended '17 c. 88 § 1)

LOCAL BUILDING AND LOAN ASSOCIATIONS

6428. **Capital—Stock—Deposits**—Every such association shall have an authorized capital of at least fifteen thousand dollars (\$15,000). It shall not issue any preferred stock but all stock shall share equally in the profits and contribute equally to the losses and expenses according to its book value. It may issue stock to be paid for either when issued or in installments. Every such association shall be authorized to borrow money for the legitimate purposes of its incorporation in such amounts and under such regulations as may be provided for in its articles of incorporation or by-laws. Provided, that the aggregate amount so borrowed shall not exceed eighty per cent of the assets of said association. (Amended '15 c. 69 § 1)

GENERAL BUILDING AND LOAN ASSOCIATIONS

6437. **Securities deposited with examiner**—Every such association having not less than one hundred thousand dollars paid in cash capital shall at all times keep with the public examiner, a deposit of securities approved by him of at least two hundred thousand dollars as a guaranty fund in trust for its members and creditors. Such securities shall consist of any or all of the first three classes of authorized securities, or of first mortgages on real estate. So long as such deposit be not reduced below two hundred thousand dollars, it may at any time, substitute like securities, and may collect interest and dividends thereon. (Amended '15 c. 170 § 1)

6440. **Kinds of stock prohibited and allowed**—No such domestic association shall issue preferred stock, but may issue different series of stock. It may issue deposit stock upon the terms and conditions provided in the by-laws; installment stock to be paid in periodical sums, which shall mature when the amount so paid with the dividends thereon shall equal its par value; a dividend bearing prepaid stock, upon which a partial dividend may be paid semi-annually out of the full dividend apportioned thereto; and full paid

stock upon which the par value thereof shall be paid in advance, and upon which a full or a definite dividend may be paid, not exceeding the per cent of profits earned by all classes or series of stock at the time when declared, and in the certificate of such stock the right of withdrawal may be waived for a definite time. Such association may issue permanent stock for which the full par value shall be paid at the time of issue, or in such installments as may be provided in its by-laws, and which shall be entitled to dividends not exceeding the per cent of profits earned by all fully participating classes of stock at the time the dividend is declared, to be credited to the stock until the same is fully paid, and afterwards paid in cash. Fully paid permanent stock may upon written approval of the superintendent of banks be retired and cancelled pro rata from time to time, by a majority vote of the stockholders, provided that there shall always remain a paid in cash capital represented by such permanent stock of at least one hundred thousand dollars, which shall not be paid to the holders thereof so long as such association shall have any other legal obligations outstanding. No such association shall issue any certificates of shares until the terms and conditions thereof shall have been approved by the state examiner. (Amended '15 c. 170 § 2)

CERTAIN INVESTMENT COMPANIES

6445. Investment companies under control of superintendent of banks—
132-19, 155+765.
6446. Supervision of superintendent—Powers, how exercised—Fees—
132-19, 155+765.
6447. Soliciting business without authority—Penalty—
132-19, 155+765.

OTHER CORPORATIONS FOR PROFIT

MANUFACTURING CORPORATIONS

6450. Withdrawal of capital—Liability of stockholders—

Manager of corporation intrusted with the transaction of its business affairs is bound by the restrictions imposed on the corporation by its charter and by-laws, and, if he transgresses such restrictions, is liable to the corporation therefor (162+516). Corporations, Ⓒ310(1).

Manager of a corporation who contracted debts in excess of limit prescribed by its charter, whereby it was necessary to dispose of its merchandise at an assignee's sale at a loss, was liable in damages. Where corporation manager contracted debts in excess of charter limitations necessitating sale of corporation's merchandise at a loss, the damage was the difference between market value of merchandise at forced sale and its value for sale in usual course of business (162+516). Corporations, Ⓒ312(1).

Where restriction violated by corporation manager was imposed on corporation by its charter, ultra vires acts of manager could be ratified only by unanimous action of stockholders with full knowledge of facts; and where claims of corporation's creditors appeared to be enforceable, stockholders' recognition of liability did not waive right to hold corporation manager liable for damages from his ultra vires acts in contracting such claims (162+516). Corporations, Ⓒ312(7).

Dividends paid out of capital at a time when the corporation had no profits, and when it owed debts, but was not insolvent, may, on the corporation becoming bankrupt, be recovered by the trustee in bankruptcy for the benefit of creditors whose claims arose after the payment of such dividends; it not appearing that such creditors did not deal with the corporation in reliance on its capital being unimpaired as represented (161+223, L. R. A. 1917C, 390). Bankruptcy, Ⓒ145(1).

Intent of the parties is not an element of a creditor's cause of action under this section (122-441, 142+822). Corporations, Ⓒ229.

[FOR RECLAIMING TIMBER LANDS]

[6452—]1. Formation—Purposes—Any seven or more persons of lawful age, inhabitants of this state and owning not less than 5,000 acres of land, no part of which is distant more than two miles from some other part thereof, who are desirous of developing said land by clearing it or parts of it of timber, brush and stumps and by otherwise preparing the same for agriculture, may form a corporation for that purpose by complying with the conditions hereinafter described. ('17 c. 502 § 1)

[6452—]2. **Certificate**—Said persons shall subscribe and acknowledge a certificate specifying:

1. The name of said proposed corporation which shall be in this form: "The Reclamation and Development Association" and the place of its principal office.

2. That it is organized to clear, grub and plow and to do all other things necessary to reclaim and put in condition for immediate agricultural use certain described lands now unavailable for such use because of timber and brush thereon.

3. The names and places of residence of the incorporators with a statement of the amount of land owned by each in said development project together with a description thereof.

4. That the management of said corporation shall be vested in a board of five directors, the date of the annual meeting at which said board shall be elected and the names and addresses of those composing the board until the first election.

5. That the indebtedness to which the corporation shall at any time be subject shall not exceed a sum equal to seven dollars for every acre of land included within said project.

6. That no capital stock shall ever be issued but that membership in said corporation shall depend upon ownership of land in said development project.

It may also contain any other lawful provisions defining and regulating the powers or business of the corporation, its officers, directors and members. ('17 c. 502 § 2)

[6452—]3. **Filing and record of certificate**—The certificate of every such corporation shall be filed for record with the secretary of state who if he finds that it conforms to law shall record the same and certify that fact thereon. After such record such certificate shall be filed for record with the register of deeds of each county in which any of the land included in such project shall be located. No fee shall ever be charged for such incorporation. ('17 c. 502 §.3)

[6452—]4. **Publication of certificate**—Every such certificate of incorporation shall be published in a qualified newspaper in each of such counties, for two successive days if in a daily or for two successive weeks if in a weekly newspaper. Upon filing with the secretary of state proof of such publication, its corporate organization shall be complete. ('17 c. 502 § 4)

[6452—]5. **Powers**—Every corporation formed under the provisions of this act shall have power:

1. To have succession by its corporate name for the period of thirty years.

2. To sue and be sued in any court.

3. To have and use a common seal and to alter the same at pleasure.

4. To contract for clearing, grubbing, plowing and otherwise preparing for immediate agricultural use, of land comprised within said project, to acquire by purchase or otherwise personal property to be used in said work, to issue, sell and provide for the payment of the bonds of said corporation, and to do all lawful acts necessary to effect the purposes of its organization, subject to the provisions and limitations hereinafter declared.

5. To elect or appoint in such manner as it may determine all necessary or proper officers, agents, boards and committees, to fix their compensation and to define their powers and duties.

6. To make and amend, consistently with law, by-laws providing for the management of its property, the conduct of its business, and the regulation and government of its officers. ('17 c. 502 § 5)

[6452—]6. **Officers—By-laws**—The board of directors named in the certificate of incorporation shall, as soon after such incorporation has been perfected as it is practicable, elect from its number a president, a secretary and a treasurer and shall adopt by-laws which shall remain effective until and except as amended by the members at any regular or special meeting thereof. ('17 c. 502 § 6)

[6452—]7. **Voting**—At every meeting of the members of any such corporation each member shall be entitled to one vote in person, or by proxy made within one year, for each acre of land in said development project owned by him in his individual, corporate or representative capacity. ('17 c. 502 § 7)

[6452—]8. **Duties of directors—Limitation of expenditure**—It shall be the duty of the board of directors to clear, grub and plow a portion of the land of each member of said corporation included within such project, said portion to be designated by the owner thereof; but in no case shall a greater amount of money be expended upon any piece of land separately owned than is equal to seven dollars (\$7.00) for every acre in such piece of land; and in no case shall more than twenty-five (25) per cent of any such piece of land separately owned be cleared by said board in the manner herein provided. ('17 c. 502 § 8)

[6452—]9. **Bonds—Submission to members, etc.**—For the purpose of providing funds for clearing, grubbing and plowing such parts of said land as may be determined upon and for acquiring the property necessary to accomplish that purpose and for otherwise carrying out the provisions of this act, the board of directors of any such corporation must, as soon after its organization as may be practicable and whenever thereafter the construction fund has been exhausted by expenditures herein authorized therefrom, and the board deem it expedient or necessary to raise additional money for said purposes, estimate and determine the amount of money necessary to be raised, and shall immediately thereafter call a special election, at which shall be submitted to the members of such corporation, the question whether or not the bonds of said district in the amount as determined shall be issued. Notice of such election must be given by mailing a notice thereof to each member in a securely closed, post paid envelope, addressed to him at his last known place of residence. Such notice must specify the time of holding the election, not less than twenty days after the mailing thereof, the amount of bonds proposed to be issued and the rate of interest proposed to be paid thereon. At such election the ballots shall contain the words, "Bonds" "Yes," and "Bonds" "No" or words equivalent thereto. If a majority of the votes cast are "Bonds-Yes" the board of directors shall cause bonds in said amount to be issued; if the majority of votes cast at any bond election are "Bond-No," the result of such election shall be so declared and entered of record, and whenever thereafter said board in its judgment deems it for the best interests of the districts that the question of issuance of bonds in said amount or any amount, shall be submitted to said members, it shall so declare of records in its minutes, and may thereupon submit such questions to said members in the same manner and with like effect as at such previous election. Such bonds shall be payable in gold coin of the United States in ten series, as follows, to-wit: At the expiration of eleven years, five per cent of the whole number of said bonds; at the expiration of twelve years, six per cent; at the expiration of thirteen years, seven per cent; at the expiration of fourteen years, eight per cent; at the expiration of fifteen years, nine per cent; at the expiration of sixteen years, ten per cent; at the expiration of seventeen years, eleven per cent; at the expiration of eighteen years, thirteen per cent; at the expiration of nineteen years, fifteen per cent; at the expiration of twenty years, sixteen per cent; and shall bear interest at a rate not exceeding six per cent per annum, payable annually, on the first day of January of each year.

The principal and interest shall be payable at the place designated therein. Said bonds shall be each of a denomination of no less than one hundred dollars and not more than five hundred dollars; shall be negotiable in form, signed by the president and secretary and the seal of the board of directors shall be affixed thereto. Each issue shall be numbered consecutively as issued, and the bonds of each issue shall be numbered consecutively, and bear date as of the time of their issue. Coupons for the interest shall be attached to each bond, signed by the secretary. Said bonds shall express on their

face that they were issued by authority of this act, stating its title and date of approval, and shall also state the number of the issue of which said bonds are a part. The secretary shall keep a record of the bonds sold, their number, the date of sale, the price received and the name of the purchaser. ('17 c. 502 § 9)

[6452—]10. **Bonds, how sold**—The board may sell said bonds from time to time, in such quantities as may be necessary and most advantageous, to raise money for the purpose of clearing, grubbing and plowing said lands and otherwise fully to carry out the objects and purposes of this act. But said board shall never sell such bonds for less than 90 per cent of the face value thereof. ('17 c. 502 § 10)

[6452—]11. **Bonds, how paid—Assessments**—Said bonds and the interest thereon shall be paid by revenue derived from an annual assessment upon the real property comprised within said project. Each piece of property separately owned shall be assessed in an amount equal to the fraction of the whole amount then necessary to be raised which the labor performed upon said piece of land is of the whole amount of labor performed upon all the land in said project.

The board of directors shall, each year, levy an assessment sufficient to raise the annual interest on the outstanding bonds, and at the expiration of ten years after the issuing of bonds of any issue must each year increase said assessment to an amount sufficient to raise a sum sufficient to pay the principal of the outstanding bonds as they mature. In case of the neglect or refusal of the board of directors to cause such levy to be made as in this act provided any person interested in having such levy made may institute mandamus proceedings in the proper court to compel such levy to be made. ('17 c. 502 § 11)

[6452—]12. **Notice of assessment—Duties of treasurer**—On or before the fifteenth day of November in each year the secretary shall give notice in writing to each member of said corporation, stating the amount assessed against his property, that such assessment is due and payable, the time and place at which payment of assessment may be made, that it will become delinquent at six o'clock P. M. on the last Monday of December next thereafter, and that unless paid on that date or prior thereto, five per cent will be added to the amount thereof. The treasurer must attend at the time and place specified in the notice to receive assessments and must keep and deliver to the secretary a complete record of all moneys received, by whom paid, for what land and must give receipt for all moneys so received. ('17 c. 502 § 12)

[6452—]13. **Assessments to be liens—Priorities**—The assessments upon real property and all penalties for delinquencies shall be liens against the property assessed from and after the first day of January for any year next after the same become due and payable and the lien for the bonds of any issue shall be a preferred lien to that for any subsequent issue and such lien is not removed until the assessments are paid or the property sold for the payment thereof. ('17 c. 502 § 13)

[6452—]14. **Foreclosure of liens—Redemption**—Upon failure to pay any assessment herein provided for when the same shall become due, the board of directors of any such corporation may proceed to enforce such lien in favor of said corporation, and the provisions of law applicable, to the foreclosure of liens given to those who contribute to the improvement of real estate, and the provisions for the redemption for sales made thereunder, shall be followed as nearly as possible in the enforcement thereof. ('17 c. 502 § 14)

[6452—]15. **When bonds may be issued**—No such corporation shall be entitled to issue bonds except during the first ten years of its existence. ('17 c. 502 § 15)

[6452—]16. **Duration of corporation**—Every such corporation shall be formed for a period of thirty years, but at the expiration of such period it shall nevertheless continue in existence for three years thereafter for the sole purpose of prosecuting and defending actions, closing its affairs, redeeming

its bonds and disposing of its property; provided, that if all of the bonds of said corporation and all other obligations thereof have been paid before the expiration of the term of its charter, a majority of the members may vote that it be dissolved, whereupon the board of directors shall cause appropriate actions to be taken to effect such dissolution. ('17 c. 502 § 16).

[6452—]17. **Laws applicable**—The general corporation laws of this state shall apply to all such corporations in so far as they are applicable and not inconsistent with the provisions of this act. ('17 c. 502 § 17)

AGRICULTURAL SOCIETIES

STATE AGRICULTURAL SOCIETY

6493. **Governing board—Annual meeting, etc.**—The management and control of its affairs shall be vested in its president, two vice presidents, and eight other managers, one from each congressional district not represented by a vice president, to be known as its governing board, all of whom shall be citizens of this state, and any six of whom shall constitute a quorum. The annual meeting of such society shall be held at such place in St. Paul or Minneapolis or upon the state fair grounds as the governing board may select. It shall begin on the Wednesday following the second Tuesday in January, and shall continue until the following Friday, on which day a president shall be elected for the term of one year, one vice president for a term of two years and eight managers as follows: at the annual meeting in 1918 and on each third year thereafter one manager from each of the 1st, 3rd and 6th congressional districts; at the annual meeting in 1919 and on each third year thereafter one manager from each of the 7th and 9th congressional districts; at the annual meeting in 1920 and on each third year thereafter one manager from each of the 2nd, 8th and 10th congressional districts; provided that at the first regular meeting of said board held after the passage and approval of this act, the governing board shall appoint one manager from each congressional district not represented on the board by a manager, the managers so appointed to serve until the next following annual election, at which annual meeting in January, 1916, a successor to said appointed manager from the 3rd congressional district shall be elected for a term of three years, and a successor to said appointed manager from the 8th congressional district shall be elected for a term of two years, in addition to the election of successors to managers and officers whose elective terms expire at such meeting, all of which managers shall thereafter be elected for the term of three years; provided further, that at no time shall more than one member of the governing board, exclusive of president, hereinbefore provided for be a resident of any one congressional district. On the day preceding the last day of said annual meeting the duly accredited delegates to said meeting from each congressional district whose member[ship] of said board of managers is about to expire shall meet together at the place for holding said annual meeting and nominate and certify to said annual meeting the choice of such district for such manager, and at the time fixed by law for the election of the president of such society, and after such nominations have been so certified, presented and read to said annual meeting, the said annual meeting shall proceed to elect managers to fill all expiring terms. Vacancies shall be filled by the governing board. Any person appointed to fill a vacancy shall hold office until the next annual meeting of the society which shall elect a successor to serve out the unexpired term. (R. L. § 3681, amended '11 c. 381 § 2; '17 c. 508 § 1)

This section was also amended by 1917 c. 277.

COUNTY AGRICULTURAL SOCIETIES

[6515—]1. **Renewal in certain cases**—Any county agricultural society, which is a member of the State Agricultural society of the state of Minnesota, whose period of duration has expired less than two years before the passage of this act and which has continued to carry on its business without a renewal

of its said period, may renew the period of its corporate existence from the date of expiration of said period of duration for an additional term not exceeding thirty years, with the same force and effect as if renewed before its said period of duration expired, by taking the proceedings provided by law for the renewal of the corporate existence of such corporation in cases where such renewal is made before the end of its period of duration.

Provided, however, that the proceedings to obtain such renewal shall be taken within six months after the passage of this act; and provided further, that this act shall not affect any pending litigation, nor apply to any corporation whose charter has been declared forfeited by the final judgment of any court of competent jurisdiction in this state. ('17 c. 131 § 1)

6516. Aid to societies and associations—All sums hereafter appropriated to aid county and district agricultural societies or associations, shall be distributed equally to the senior active county agricultural society or association in each county, except where there be two of the same age, in which case the portion due such county shall be divided pro rata between them according to the premium paid, and to the Northwestern Minnesota Fair Association, the Mankato Fair and Blue Earth County Agricultural Association, Morrison County Co-operative Agricultural Society, the Faribault Agricultural and Fair Association, the Park Region Agricultural Association, the Farmers Co-operative Agricultural Society of Waconia, Traverse County Agricultural Association of Wheaton, and the Tri-County Fair Association of Winona, the Hubbard County Agricultural Association, the Cannon Valley Agricultural Association and the Scott County Good Seed Association, when not receiving specific state appropriations, pro rata, to be paid out in premiums at the fairs of only such society or association as have an annual membership of twenty-five or more, maintain an active existence, hold annual fairs on enclosed grounds owned or leased by such societies and associations, to which a fixed charge of admission is made; provided that they shall have paid out in premiums to exhibitors during the year as much as they received from the state, and provided further that no such county or district agricultural society shall receive in any year from the state, for the purpose of reimbursing it for the amount of premiums paid at its fairs, a sum in excess of fifteen hundred (\$1,500.00) dollars. All payments made hereunder shall be made on or before December 20th of the year in which the fair is held, upon the filing with the state auditor on or before December 15th of each year a sworn statement showing the holding of annual fairs and the payment in premiums of the amounts claimed from the state, or that such society or association has advertised an annual fair, and has been prevented for good cause from holding the same, and has incurred expense in such advertising and preparation for the sum equal to the amount claimed from the state. District agricultural societies embracing two or more counties, not having county agricultural societies, shall be entitled to share in such pro rata distribution, subject to the same conditions as county agricultural societies. Any county or district agricultural society which may have held its second annual fair shall be entitled to share, pro rata, in such distribution. The state auditor shall certify to the secretary of the State Agricultural Society, on or before January 5th of each year, a list of all county and district agricultural societies that have complied with this act, and which are entitled to share in such appropriation. All payments hereunder shall be made on or before December 20th of the year in which the fair is held, provided, however, that in determining the amount to be paid to any society or association under this section, the state auditor shall exclude all payments made by such society or association as premiums or purses for or in horse races, ball games and amusement features of any nature. (Amended '15 c. 243 § 1)

6517. County lands may be leased, when—Any county board of any county may lease to agricultural societies established and existing in its county for such period and on such terms as it shall deem expedient any lands of the county including any portion of lands of the county used as a poor farm, to be used by such society for fair purposes. Said society may construct on such

leased land, suitable buildings, race tracks and other improvements, provided that in case of the leasing by said county board of any county of lands, previously set aside as a poor farm such improvements shall be constructed according to a plan previously submitted to said county board and approved by them, and provided further that during all times when such leased land is not used for fair purposes, said lands shall be and remain under the supervision and control of said county board or such overseer as may be appointed by such board. (Amended '15 c. 346 § 1)

SOCIAL AND CHARITABLE CORPORATIONS

GENERAL PROVISIONS

6522. For what purposes formed—Any three or more persons may form a corporation for any one or more of the following purposes, viz.: Religious, social, moral, educational, scientific, medical, surgical, benevolent, charitable, fraternal or reformatory purposes, including care of the sick, aged and disabled and ministering to the needs of the poor; providing comfort, education and recreation for all classes; for establishing, maintaining and operating clinical, pathological, medical or surgical research laboratories, hospitals, institutions of learning and gymnasiums, and otherwise for improving the physical, mental and moral condition of mankind; for advancing, promoting and administering charitable and benevolent aims in its own behalf, or as the agent, trustee or representative of others; for aiding and assisting individuals, corporations, associations or institutions now, or hereafter, engaged in furthering any one or more of the purposes above named, and establishing, promoting, maintaining, endowing and aiding with its own means, or as the agent, trustee or representative of others, any such corporation, association or institution; for providing, erecting, owning, leasing, furnishing and managing any building, hall or apartments for the use, in whole or in part, of any society, societies, body or bodies, incorporated or unincorporated, organized for any one or more of said purposes; or for the purpose of improving or beautifying any public roads, streets, grounds, parks, water or water fronts, provided that any such improvements shall be carried out under the supervision of the public official, or officials, having charge or control of public property to be so improved. (Amended '17 c. 274 § 1)

This section was also amended by 1915 c. 185.

Section 3862, requiring the guarding of dangerous machinery, applies to associations organized under this section (122-10, 141+837, 46 L. R. A. [N. S.] 548). Charities, \S 45(2).

6527. Power as to property—Every such corporation, in addition to its other powers, may receive or acquire by purchase, gift, grant or devise, and may hold, use, invest, expend, convey or dispose of any real or personal property whatever for any of the purposes for which the corporation may be created, and may lease, mortgage or use the same in any manner deemed most conducive to its interests and prosperity and to the accomplishment of any such purposes; but it shall not divert any gift, grant, devise or bequest from the specific purpose or purposes designated by the donor without his or her consent; but if so authorized by a donor, the corporation may expend, use or dispose of any property transferred to it, or the income thereof, in accordance with the judgment and discretion of its trustee, directors or officers; but no street, road or alley shall be established, opened or extended through or upon any lands not exceeding ten acres in area upon which a hospital building, incorporated as such, is situated, except with the consent of the managing board of such hospital. The provisions of this section shall be applicable to any existing corporation of the character authorized to be created by section 6522 of the General Statutes of 1913 as well as to any corporation hereafter organized in pursuance thereof. (Amended '17 c. 274 § 2)

CHAMBERS OF COMMERCE, ETC.

6537. Chambers of commerce and boards of trade—
130-288, 153+617.

SOCIETIES FOR SECURING HOMES FOR CHILDREN

6542. Powers of such societies—Every such society may receive and become the legal guardian of any resident child under ten years of age, who is grossly ill-treated, or who has been abandoned, or is without a home, or surrounded by bad or immoral influences. It may contract in writing with any person who, after ninety days' trial, shall take, without adopting, any such child, for its proper care until sixteen years of age if a girl, and eighteen if a boy. Such contract shall also specify the amount to be paid to such child at the expiration thereof, but shall contain no provision for its political or sectarian training or education. Such contract shall not interfere with the adoption of said child according to law. (Amended '17 c. 221 § 1)

CORPORATIONS FOR MAINTAINING HOMES FOR DEPENDENT CHILDREN

6549. Incorporation—A corporation may be formed under the provisions of this act, by not less than three persons, for the purpose of establishing and maintaining homes for dependent children, for the receiving of such children into said homes, the care and supervision of said children and the conduct of said homes; and for the purpose of securing homes in private families, by the adoption or otherwise, for orphans, homeless, abandoned, neglected or grossly ill-treated children. Such incorporators shall file with the Secretary of State their certificate of incorporation which shall declare and state:

1. Its name and principal place of business.
2. That it is organized to establish and maintain a home for dependent children and for the custody and supervision of said dependent children in said home and to find and secure homes in private families by adoption or otherwise for orphans, homeless, abandoned, neglected or grossly ill-treated children.
3. The names and places of residence of the incorporators, and how and when their successors may be appointed and elected.
4. The names of the first board of directors or managing officers and in what officers or persons the government of the corporation and management of its affairs shall be vested and how and when they shall be elected or appointed; and any other provisions not inconsistent with law that may be desired. ('13 c. 314 § 1, amended '15 c. 61 § 1)

6550. Powers, etc.—The persons so executing said certificate and their successors shall thereupon become a corporation by the name specified therein with all the powers of a common law corporation. It may sue and be sued by its corporate name, have perpetual succession, adopt a corporate seal, and change the same at pleasure. It may in its corporate name acquire and receive, by purchase, gift, grant, devise, and bequest, any property, real, personal or mixed and the same hold, sell, convey, assign, loan, lease, or otherwise use for the purposes named in its certificate of incorporation, and for such time and in such manner as may be directed by any grantor or testator who may make a gift, devise or bequest to such corporation, to be administered and used as provided in this act; and it shall have no power to divert any gift, grant or bequest from the specific uses and purposes designated by the donor or testator. Such corporation shall have no capital stock; and any court of equity, on its own motion or upon application, may have and exercise visitatorial powers over its officers and affairs. Every such corporation so formed may receive and become the legal guardian of any resident child under twelve years of age, who is grossly ill-treated, or who has been abandoned, or is without a home or surrounded by bad or immoral influences. It may contract in writing with any person who, after sixty days' trial, shall take, without adopting, any such child, for its proper care until sixteen years of

age, if a girl, and eighteen years of age if a boy; such contract shall specify what amount, if any, is to be paid to such child at the expiration of such period, but shall contain no provision for its political or sectarian training, or education. Such corporation shall keep careful supervision of all children placed by it, and except in case of legal adoption, shall require from persons taking them a full report of their condition and welfare at least once a year; and its agents shall have the right to visit such children and personally investigate their conditions as often as may be deemed desirable. If such corporation become satisfied, upon due investigation, that the influence of any home is harmful, or the treatment of the child is unduly severe or inconsiderate, it may require, through its board of directors or managing officer, the return of such child to the main office of such corporation, at the expense of the family having it. ('13 c. 314 § 2, amended '15 c. 61 § 2; '17 c. 232 § 1)

6551. Rights, etc.—Said corporation shall have supervision over all children received by it as provided in this act and shall have a right to be appointed by the proper court and to act as guardian of any of said children. Said corporation and all its property, person [personal], real and mixed, shall be exempt from taxation. Said corporation shall have all the powers and rights now conferred upon the governing body of cities, counties, towns and villages by Section 3122, Revised Laws 1905 [6546], and may exercise the powers and rights as provided in said Section 3122 [6546]; and may have children committed to said home by the Probate Court and may receive the same in the same manner as provided in Sections 3122, 3123 and 3124, Revised Laws, 1905 [6546-6548]. ('13 c. 314 § 3, amended '15 c. 61 § 3)

RELIGIOUS CORPORATIONS

[6594—]1. Certain conveyances to churches legalized—That in all cases where real estate has been conveyed to a church within one year prior to the execution and recording of the certificate of incorporation of such church, as provided for in Sec. 6594 of General Statutes of Minnesota, for 1913 and where such certificate and deed, or deeds of real property to such church has been heretofore actually recorded in the office of the register of deeds in the county where such land is situated, such deeds and certificates of incorporation and the recording thereof are hereby legalized and confirmed and such corporation is hereby deemed to have been duly and legally incorporated, notwithstanding the fact that no proof of the posting of the notices, for the meeting at which the certificate of such church corporation was executed and such church incorporated, was ever filed or recorded in the office of the said register of deeds with such certificate of incorporation, provided such certificate recites that such notices were in fact duly posted. ('15 c. 249 § 1)

[6594—]2. Same—Evidence—Provided further that duly authenticated copies of such certificates of incorporation and deeds to such corporation may be read in evidence in any court within this state with the same force and effect as such records thereof.

Provided further that nothing in this act shall be held to apply to any action heretofore commenced or now pending in any of the courts of this state. ('15 c. 249 § 2)

6598. Sale of real estate—"Society" defined—

Evidence held to sustain findings that deeds executed by plaintiff church to defendant church were executed without authority and were a fraud upon plaintiff and its members (126-282, 148+271). Religious Societies, ¶20.

Members of a church, who adopt a faith inconsistent with the orthodox doctrines of the church, and assume to appoint a minister of the new faith and to appropriate the church property for the purposes of the new faith, will be restrained at the suit of members who adhere to the faith as originally established (181-203, 154+969). Religious Societies, ¶21, 22, 23(3).

[6609—]1. Incorporation of cathedrals for Protestant Episcopal Church—Certificate—Any cathedral for which a constitution and statutes have heretofore been, or may hereafter be, adopted by the diocesan convention of any

diocese in this state of the Protestant Episcopal Church in the United States of America may form a corporation as follows:

Such cathedral shall cause to be prepared a certificate containing:

1. The name and location of the cathedral.
2. The persons who constitute the chapter of the cathedral, and their names, of which chapter the bishop of the diocese and the wardens and vestrymen of the cathedral congregation shall be members.
3. The date of the adoption by the diocesan convention of the constitution and statutes of the cathedral.
4. Said certificate shall be signed and duly acknowledged by the bishop of the diocese and by a majority of the members of the chapter, and shall be filed for record in the office of the register of deeds of the county in which such cathedral is located, and in the office of the Secretary of State of the State of Minnesota. ('15 c. 46 § 1)

[6609—]2. **Same—Powers**—Upon the signing, acknowledging and filing such certificate for record with the register of deeds of the county of its location, and with the Secretary of State of the State of Minnesota, such cathedral shall become a corporation by the name specified in its certificate, and by and through its chapter may transact all the business of said cathedral; and in its corporate name may acquire or receive by purchase, gift, grant, devise or bequest, any property, real, personal or mixed, and hold, sell, transfer, mortgage, convey, loan, let, or otherwise use the same for the use and benefit of said cathedral, provided that such use shall not contravene the laws and usages of the Protestant Episcopal Church in the United States of America of this state; but it shall not have power to divert any gift, grant or bequest from the purpose specified in writing by the donor or deviser, nor to sell, convey or mortgage its church or church site, except with the consent of the bishop in writing and when first authorized to do so at a meeting of the chapter called for that purpose, nor in contravention of the canons of the diocese or of the general convention of the Protestant Episcopal Church in the United States of America. ('15 c. 46 § 2)

[6609—]3. **Same—Chapter, how governed**—The chapter of said cathedral shall be governed by the constitution and statutes which have been adopted for it by the diocesan convention and any amendments made thereto as provided therein. ('15 c. 46 § 3)

[6615—]1. **Consolidation of parishes, congregations and churches**—Any diocesan council, synod, presbytery, conference, association, consociation, or other general organization for ecclesiastical or religious purposes composed of or representing several parishes, congregations, or particular churches, and incorporated under the laws of this state, may unite or consolidate with one or more other diocesan councils, synods, presbyteries, conferences, associations, consociations, or other general organizations for ecclesiastical or religious purposes, or may with one or more such other societies form one new society for ecclesiastical or religious purposes, and when any such united or consolidated society, or any such new society, shall have been incorporated, may convey and transfer its property to such corporation according to law. ('17 c. 107 § 1)

[6615—]2. **Same—Procedure for incorporation**—Any two or more societies of the classes named in the preceding section may form a corporation by adopting a canon or resolution and having a copy thereof certified, verified, approved by the attorney general and recorded as provided by sections 3152 and 3153, Revised Laws of Minnesota, 1905 [6612, 6613]. The canon or resolution may be adopted in joint session by representatives, delegates and others entitled to vote at the regular meetings of such societies, respectively, for the year in which such canon or resolution is adopted or may be adopted in joint session by committees of such societies, elected or appointed by them respectively for that purpose. ('17 c. 107 § 2)

[6615—]3. **Same—Franchises, powers, privileges, etc.**—Every corporation formed as in this act provided, shall have the same franchises, powers,

privileges and immunities as corporations organized and existing under sections 3152 to 3153 inclusive of Revised Laws of Minnesota, 1905 [6612, 6613]. ('17 c. 107 § 3)

[6615—]4. **Same—Property**—Every corporation organized under this act shall hold all property conveyed or transferred to it for such use, and subject to such trusts and conditions as such property is held by the corporation conveying or transferring the same. ('17 c. 107 § 4)

ACTIONS RESPECTING CORPORATIONS

6630. Mode of prosecution—

Receivers of a foreign corporation may sue in this state on claims due the corporation, where they are authorized to sue by the appointing court, and it does not appear that there are domestic creditors who would be prejudiced by the maintenance of the action. Such receivers were entitled to sue in this state, though they were appointed by a federal court (122-250, 142+315). Corporations, Ⓒ685.

6632. Power of court over corporation officers—

Subd. 8—Notice of special meeting of fraternal benefit council held legally called within the contemplation of the constitution of the order (122-73, 141+1107, Ann. Cas. 1914D, 856). Beneficial Associations, Ⓒ14.

6634. Sequestration—Order of distribution—

132-9, 155+754.

A sale by a receiver of all the assets of a corporation under order of court held proper, and not improvidently ordered (134-442, 159+948). Corporations, Ⓒ560(5).

Section 7892, subds. 3 and 4, do not limit the authority of the court in the appointment of receivers for corporations to the instances provided for in this section, but recognize the general equity powers of the court to appoint receivers for corporations when proper grounds are made to appear (134-442, 159+948). Corporations, Ⓒ553(1).

By admitting all the allegations of the complaint in its answer and expressly consenting to the appointment of a receiver, the corporation waives the prerequisites as to rendition of judgment and return of execution unsatisfied, and appellant having acquiesced for two years in the action of the corporation and its receiver, cannot question the jurisdiction of the court in making the appointment (134-442, 159+948). Corporations, Ⓒ554, 555.

A complaint, though failing to allege that defendant corporation has property in the state, has ever issued stock, is insolvent, has refused to apply its property in satisfaction of plaintiff's judgment, or that plaintiff is a resident of the state and has secured in regular course a judgment against defendant, held sufficient to authorize the appointment of a receiver under this section (161+401). Corporations, Ⓒ684.

Rights of stockholders as to dismissal of action in which corporation is interested. Rights of stockholder to maintain action on behalf of corporation (122-355, 142+818, Ann. Cas. 1914D, 830). Corporations, Ⓒ204, 206(5), 212.

The court may, under this section, sequester the property within the state of a foreign corporation, and appoint a receiver thereof (161+401). Corporations, Ⓒ688.

6637. Hearing—Notice—Record—Upon the presentation of such petition, the court shall fix a time and place for hearing thereon and order three weeks' published notice thereof to be given and such other notice to parties interested as it may deem proper. At the time and place so fixed the court shall hear the allegations and evidence of all parties interested and, if any of the grounds specified in the petition is sustained, shall adjudge the corporation dissolved and appoint a receiver to close its affairs.

A certified copy of the order or judgment of dissolution shall be filed for record with the secretary of state and thereafter with the register of deeds of the county of the principal place of business of said corporation and the dissolution of said corporation shall not be deemed complete until such copy is so filed for record. (Amended '17 c. 383 § 1)

6641. Forfeiture of charter—Receiver—Suit by creditor—

132-9, 155+754.

6645. Enforcement of stockholder's liability—

Cause of action to enforce double liability of stockholder accrues at date of declaration of insolvency and appointment of receiver, and not merely from date of assessment under this and the succeeding sections (161+498). Limitation of Actions, Ⓒ58(4).

6546. Hearing upon petition—

Proceedings under this section are summary and informal, and the stockholders are not entitled to a jury trial of the questions involving the authority of the court to order an assessment (132-9, 155+754). Jury, ~~§~~14(1).

That the proceeding was pending in one county and the final hearing upon the petition for the assessment was had in an adjoining county was not error, where an adjournment to the latter county was by the consent of both parties (132-9, 155+754). Corporations, ~~§~~263(1).

The provision of this section as to reception of evidence does not deprive the stockholders of their property without due process of law. The court may, under this section, receive such evidence, by affidavit or otherwise, as will aid in the determination of the essential questions; and hence schedules in bankruptcy and affidavits containing matters of hearsay were properly received in evidence (132-9, 155+754). Corporations, ~~§~~269(2).

The assessment is preliminary to subsequent proceedings for the collection thereof, is conclusive only as to the insolvency of the corporation and the amount of the assessment, and does not preclude the stockholders from interposing in such subsequent proceeding any other matter which may be available in defense (132-9, 155+754). Corporations, ~~§~~274.

6651. Surplus to be divided among stockholders—

Cited (135-339, 160+1014).